
IURC RM 11-05

**RULEMAKING COMMENTS ON INDIANA VOLUNTARY CLEAN ENERGY
PORTFOLIO STANDARD PROGRAM**

November 10, 2011

SUBMITTED BY

COVANTA ENERGY CORPORATION

Covanta Energy Corporation (“Covanta”) respectfully submits the following responsive comments to the remarks submitted on November 4, 2011 by the Indiana Energy Association (“IEA”); Wind on the Wires (“WOW”); and the Indiana Office of Utility Consumer Counselor (“OUCC”) that address Covanta’s proposal to include in the Commission’s strawman rule to implement the Indiana Clean Energy Portfolio Standards Program (“Program”) a steam conversion factor and a Clean Energy Credit (“CEC”) Certification Process (“CEC Process”).

Response to IEA Recommendation to Delay Creation of CEC Process – Covanta respectfully disagrees with the IEA’s recommendation that the Commission defer consideration of a CEC process until after final rules are implemented. It is critical that a CEC process be available before the first Program application is filed, which may be as soon as June 1, 2012.¹ If deferred to a future rulemaking, the CEC process would not likely be established until well after the deadline has passed for applications for CPS Goal Period I. This would defeat one of the central purposes of the proposed CEC Process: to encourage the development of Indiana’s clean

¹ As presently written, the strawman rule at 170 IAC 17-4-1 requires a participating utility electric supplier to submit a Program application no later than six months prior to the beginning of the first Clean Portfolio Standard Goal Period, which translates to an application deadline of June 1, 2012 for applicants wishing to participate in Goal Period I as described in I.C. 8-1-37-12(a)(1).

energy market by creating a voluntary process where clean energy resource providers can “enter the game,” be visible to participating utilities, and be listed on a menu of clean energy options from which a participating utility could choose.

Covanta also respectfully disagrees that the proposed CEC process is intricate enough to warrant a separate rulemaking. The process established by Covanta is a simple three-step process that creates a framework that allows the Commission to evaluate a CEC certification application on a case-by-case basis. The CEC Process is straightforward and critical to encouraging the development of a clean energy market in Indiana and should therefore be included in the final proposed rule.

Response to WOW Recommendation to Use Third Party CEC Tracker

Covanta has no objection to WOW’s recommendation that the Commission use an independent, third party tracking system to verify the production of energy such as the GATS and M-RETS systems used in the PJM and MISO control areas, respectively. Ultimately, however, it is imperative that the Commission have a CEC Process operational, whether on its own or through a third party, as soon as possible and before the deadline for applications to participate in CPS Goal Period I incentives.

Response to OUCC Steam Conversion Factor Comments

Covanta agrees with the OUCC that a formula for converting steam to megawatt hours of electricity should contemplate variances in pressures, temperatures, and potentially other specific facility information. Such information can easily be provided during the CEC process by the steam generator utilizing clean energy resources.

Conclusion

Covanta appreciates the Commission's consideration and respectfully requests that the Proposed Rule include a steam conversion factor and a CEC Certification Process.

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